



AGENDA

**SHERWOOD URA BUDGET
COMMITTEE
May 23, 2019 6:00 PM
(following Sherwood Budget Meeting)**

**Sherwood City Hall
22560 SW Pine Street
Sherwood, OR 97140**

URA BUDGET COMMITTEE MEETING

- 1. CALL TO ORDER –Meerta Meyer , Chair**
- 2. ROLL CALL – Katie Henry, Finance Director**
- 3. PUBLIC COMMENT FOR SHERWOOD URBAN RENEWAL AGENCY BUDGET**
- 4. NEW BUSINESS**
 - A. RECEIVE BUDGET MESSAGE – Joe Gall, City Manager**
 - B. URBAN RENEWAL OVERVIEW – Joe Gall, City Manager**
- 5. COMMITTEE DISCUSSION**
- 6. APPROVE SHERWOOD URBAN RENEWAL AGENCY FY2019-20 PROPOSED BUDGET AND TAX RATE**
- 7. ADJOURN**

URA Cash Flow Projections

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Cash	\$ 1,337,538	\$ 1,822,327	\$ 2,125,155	\$ 3,219,956	\$ 778,948	\$ 887,051	\$ 2,367,259
Revenue							
Taxes	3,686,850	3,776,565	3,989,100	3,351,897	2,600,000	2,600,000	2,600,000
Other		3,000					
Interest	18,000	34,532	67,700	65,000	23,368	26,612	71,018
Sale of fixed assets	-	-	-	-	-	-	-
Total Revenues	3,704,850	3,814,097	4,056,800	3,416,897	2,623,368	2,626,612	2,671,018
Expenses							
Personal services	127,411	186,501	70,000	111,388	114,730	118,172	121,717
Materials & services	109,994	93,179	51,980	40,329	41,136	41,958	42,797
Infrastructure	405,000	391,345	-	-	-	-	-
Debt service	2,838,854	2,840,244	2,840,019	5,706,188	2,359,400	986,274	942,369
Total Expenses	3,481,259	3,511,269	2,961,999	5,857,905	2,515,265	1,146,404	1,106,883
Ending Cash Balance	\$ 1,822,327	\$ 2,125,155	\$ 3,219,956	\$ 778,948	\$ 887,051	\$ 2,367,259	\$ 3,931,394
URA debt to retire after FY20							
2010 Cannery BofA							3,531,618
2012 Refunding							385,000
Defeasance amount							3,916,618
Remaining						\$	14,776

URA Budget Committee Meeting

Date: May 23, 2019

List of Meeting Attendees: ✓

Request to Speak Forms:

Documents submitted at meeting: ✓

None

PHONE

[illegible]

Draft Minutes



SHERWOOD URA BUDGET COMMITTEE MEETING

May 23, 2019 Minutes

1. CALL TO ORDER – Chair Meerta Meyer, called to order the regular meeting of the SHERWOOD URA BUDGET COMMITTEE MEETING at 8:05 pm on May 23, 2019.

2. Roll Call – Katie Henry, Finance Director

COMMITTEE MEMBERS AND COUNCIL PRESENT: Chair Meerta Meyer, Vice Chair Nancy Taylor, Paul Mayer, Kady Strode, Matt Kaufman, Board Chair Mays, Board Members Sean Garland, Kim Young, Tim Rosener, Russell Griffin, Doug Scott and Renee Brouse. (Susan Claus and Tyrone Stammers were absent).

CITY STAFF PRESENT: Finance Director Katie Henry, City Manager Joe Gall, Community Development Director Julia Hajduk, IT Director Brad Crawford, City Attorney Josh Soper, Accountant Leslie Dean, Operations Supervisor Rich Sattler, and Planning Technician Colleen Resch.

3. PUBLIC COMMENT FOR SHERWOOD URBAN RENEWAL AGENCY BUDGET–
Chair Meerta Meyer opened the floor for public comment.

No comments.

4. NEW BUSINESS

A. RECEIVE BUDGET MESSAGE – Joe Gall, City Manager

Joe Gall reviewed the URA Budget message. He stated the URA is on a timeline to be closed and this is basically paying debt service and there are not projects identified for next year. He said the budget includes a portion of his salary and Community Development Director Julia Hajduk's salary. He referred to the document Finance Director Katie Henry provided in the packet regarding URA Cash Flow Projections. Ms. Henry said she has been working with PFM to look at the debt to determine when would be the best time to close the URA. She said the URA Cash Flow Projections shows a two pronged approach to closing out the URA. She said the first approach includes paying off one piece of debt that the City has the right to and provide the

State with 90 days' notice and prepay the debt. She said this would save \$500,000 and with the amount levied this year, without using the full tax increment, the City is able to pay this off. She stated by taking less than our full tax increment but still levying each year the City can then have the right amount in 2023 to be able to retire the debt that is callable and then set aside what is needed to put into an account to de-fees the rest of the debt that is not callable. She explained that if the bonds are not callable you have to set money aside to grow enough interest to have it de-fees. She said that is the only way to close the URA. She said this proposed method for the five year scenario is what was used to calculate the taxes that we used in the five year scenario to increase the tax income by running it through this scenario to bring more taxes into the General Fund by paying the lump sum. She stated if this proposed budget is approved the City will contact the State and notify them that we want to prepay.

Board Chair Mays clarified that under this scenario there is no reduction in the float above what is currently being disbursed to all taxing districts. He noted we have debt service and there are taxes collected above valuation that is being disbursed to the City's General Fund, to the County, and to TVFR. He asked if this scenario impacts that amount above that. Ms. Henry said it just impacts the tax increment financing. Board Chair Mays said his statement is correct and by doing the balloon payment it saves interest and doesn't harm what is already being disbursed which is above the debt service. Ms. Henry said that is correct.

Tim Rosener said this is the type of creativity the City needs to be doing to protect us from the things we can't control such as PERS.

Kim Young asked if the URA will be closed in 2023. Ms. Henry said that is correct.

Mr. Gall said this will get more money back in the General Fund. Discussion followed.

Ms. Henry stated that there is no sale of land included in this budget. She said the URA is close to reaching maximum indebtedness which means we can't budget for any projects, however the sale of land goes against the maximum indebtedness and that can be spent if brought forward in a supplemental budget.

Paul Mayer referred to the line item *Materials & Service* in the URA Cash Flow Projects and said with no projects planned what it that money for. Ms. Henry said part of the City Manager and Community Development Directors time is in this budget and there are certifications that are required and training that is needed. She said that line item includes dues and training. Mr. Gall said that is primarily for him. She stated if the URA decides to sell property they need appraisals and there are also fees for financial statements and consultants.

Nancy Taylor asked if all the City owned property in part of the URA. Ms. Henry said there are just a few lots in the URA. Nancy Taylor asked what the value of the property is. Mr. Gall said we don't have current appraisals. Community Development Director Julia Hajduk said the properties include the Cannery lots, the Robin Hood Theater lot, the Old School House lot, the flag lot off of Sherwood Blvd, and the Old Town parking lot.

Tim Rosener said there are appraisals, they are just dated.

Ms. Hajduk guessed the value of the lots is a couple million dollars.

Nancy Taylor asked if the property that was sold to the School District for the new High School was URA property. Board Chair Mays said there were 20 acres that the City's Transportation Fund bought and the City sold most of that to the School District.

Nancy Taylor asked if the URA properties have any perspective buyers. Board Chair Mays said there is an RFP for the Old School House lot and the others are not currently listed for sale.

Nancy Taylor asked if the new Economic Development Director position will work on selling URA properties. Mr. Gall said not at this point and if this was included in the job description it would have been included in the URA budget. He said he is more interested in developing the Tonquin Employment area versus having the position focus on selling property in the URA. Discussion followed.

Motion: from Kim Young to approve the proposed 2019-20 City of Sherwood Urban Renewal Agency Budget and she also moved to that the Committee approve taxes for the FY 2019-20 of \$3,500,000 for operating purposes. Doug Scott seconded the motion. **Motion passed 12:0.** All present members voted in favor.

5. ADJOURN - Chair Meyer recessed the meeting at 8:26 pm



Submitted by: Colleen Resch, Planning Technician

Minutes approved on: *December 5, 2019*